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No. 80-1630

In the
Supreme Court of the United States
OCTOBER TERM, 1980

CELOTEX CORPORATION,
Petitioner,
vs.
UNITED STATES GYPSUM COMPANY,
Respondent.

RESPONSE TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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The petition for writ of certiorari in this patent infringement case does not present any questions calling for consideration by this court.

THE CASE AT THE TRIAL COURT LEVEL

The patent in suit is Bobzin et al patent No. 3,545,154. To acquaint this court with the subject matter of the patent, we are attaching the single sheet drawing of the Bobzin patent.

PLAINTIFF'S EXHIBIT 1

Dec. 8, 1970 J. E. BOBZIN ETAL 3,545,154

SURFACE PANEL ASSEMBLY WITH RIGID STRIPS TO CONCEAL FASTENERS

Filed Nov. 19, 1968

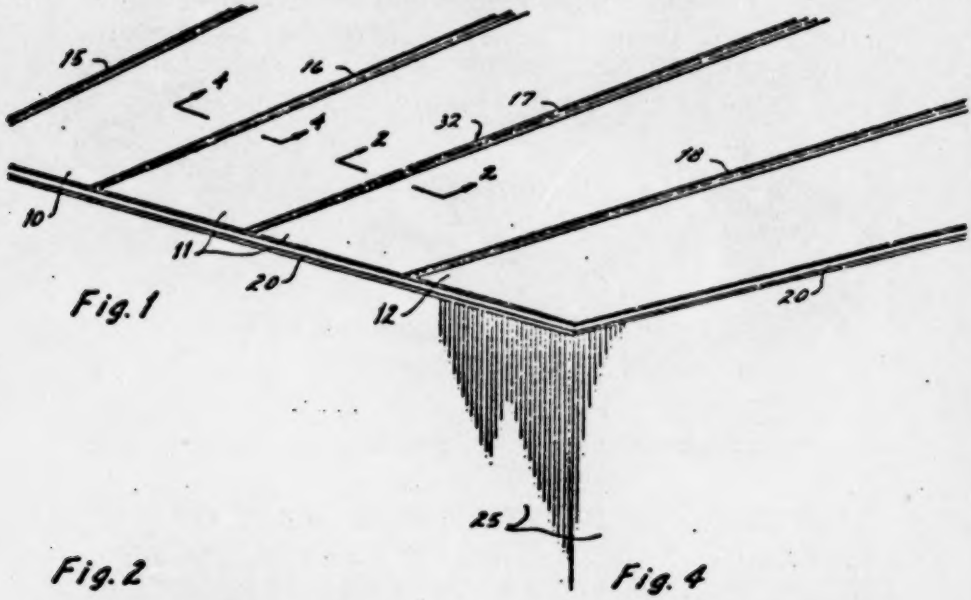


Fig. 1

Fig. 2

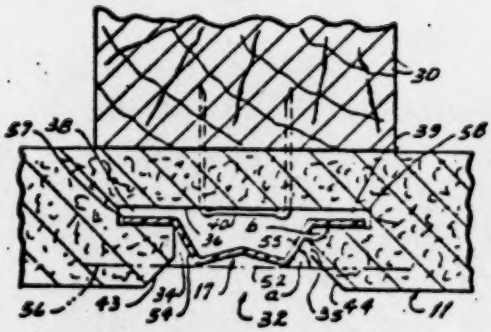


Fig. 4

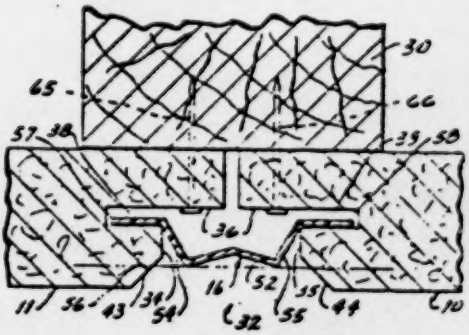


Fig. 3

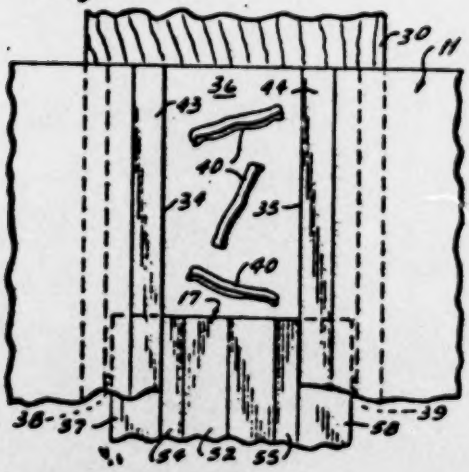
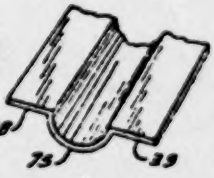


Fig. 5

Fig. 6



James E. Bobzin
Charles W. Sawyer
INVENTOR.

BY James W Grace
ATTORNEY

CCCC

In the patent specification under the heading "Summary of the Invention", it is stated:

> "The invention pertains to a surface panel assembly in which the panel is grooved to receive rigid strips which cover its fasteners. The strips having a central elevated section with respect to the base of the grooves to move without impediment over misaligned or improperly driven fasteners."

The principal prior art patent relied upon by Respondent is Nuorivaara patent No. 3,085,301. We are attaching the single sheet drawing of this prior art patent.

DEFENDANT'S EXHIBIT 3

April 16, 1963 E. NUORIVAARA 3,085,301

ASSEMBLY OF BOARDS

Filed Feb. 18, 1960

Fig.1

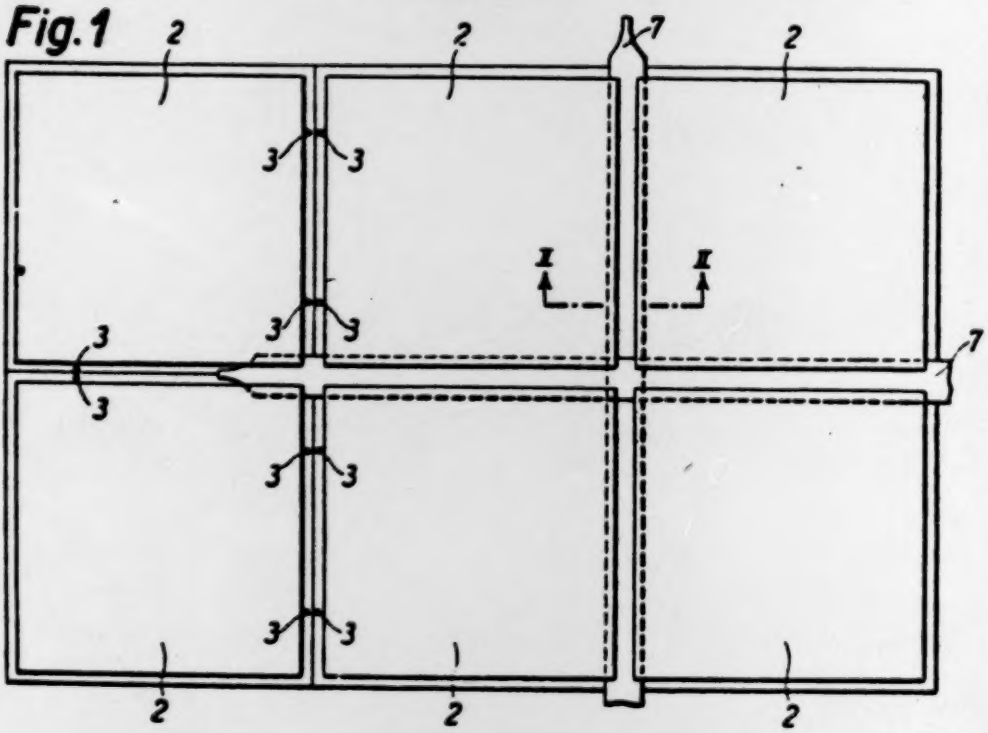


Fig.2

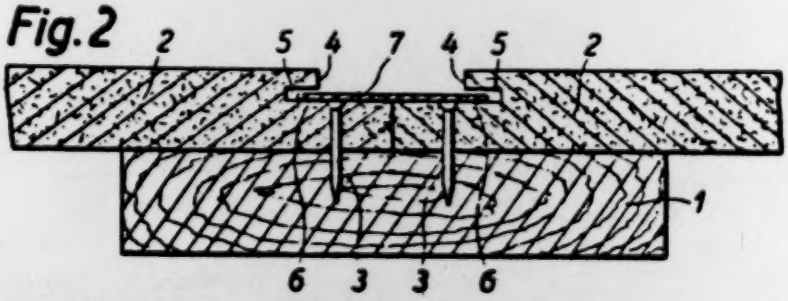
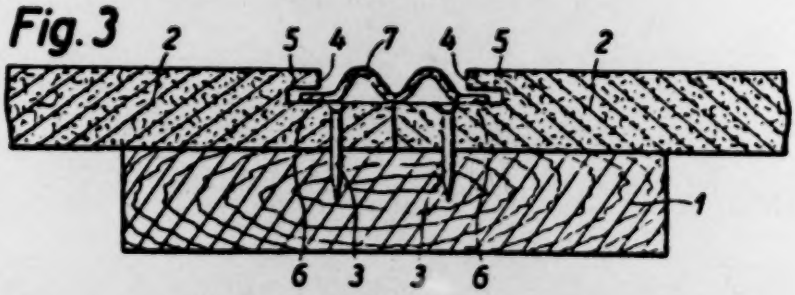


Fig.3



In reviewing both the Bobzin patent and the prior art Nuorivaara patent, it is apparent that they both relate to surface panel assemblies or ceiling panels which are fastened to studs or framing members by nails or staples. In both there are channels with outwardly extending grooves into which are inserted strips to cover the fasteners. The basic difference between the two structures is the shape of the concealing strip. In Bobzin, the strip has a raised portion. In Nuorivaara, two forms of strips are shown; one a flat strip (Fig. 2) and the other a strip with a plurality of raised portions (Fig. 3)

The evidence at trial established that at the time Bobzin got the idea for the structure set forth in the patent, he was aware of the Nuorivaara patent. The evidence also establishes that in working with the flat strips of the Nuorivaara patent, some difficulty was encountered because as these strips were slid into the slots and moved from one position to another, if there were any improperly driven fasteners (fasteners not driven flush), the strips of the Nuorivaara patent might encounter these raised portions and create an impediment to the further insertion of the strip in the slots. Bobzin's solution was to provide a raised portion in the strip which would permit the strip to ride over any raised staples. Relative to this raised portion of the strip, it is stated in the Bobzin patent:

> "In summary, the invention provides a novel fastener concealing strip whose central section is spaced from the bottom of a receiving groove to permit easy passage over improperly driven fasteners and to improve the appearance of a surface panel assembly."

We are attaching here the single sheet drawing of the Nuorivaara patent (PX 3A) with a slight modification of the strip of Fig. 3. Petitioner's patent counsel testified at trial and admitted that the strip as modified, and as shown in this drawing, is the invention of the Bobzin patent.

DEFENDANT'S EXHIBIT 3A

April 16, 1963 E. NUORIVAARA 3,085,301

ASSEMBLY OF BOARDS

Filed Feb. 18, 1960

Fig.1

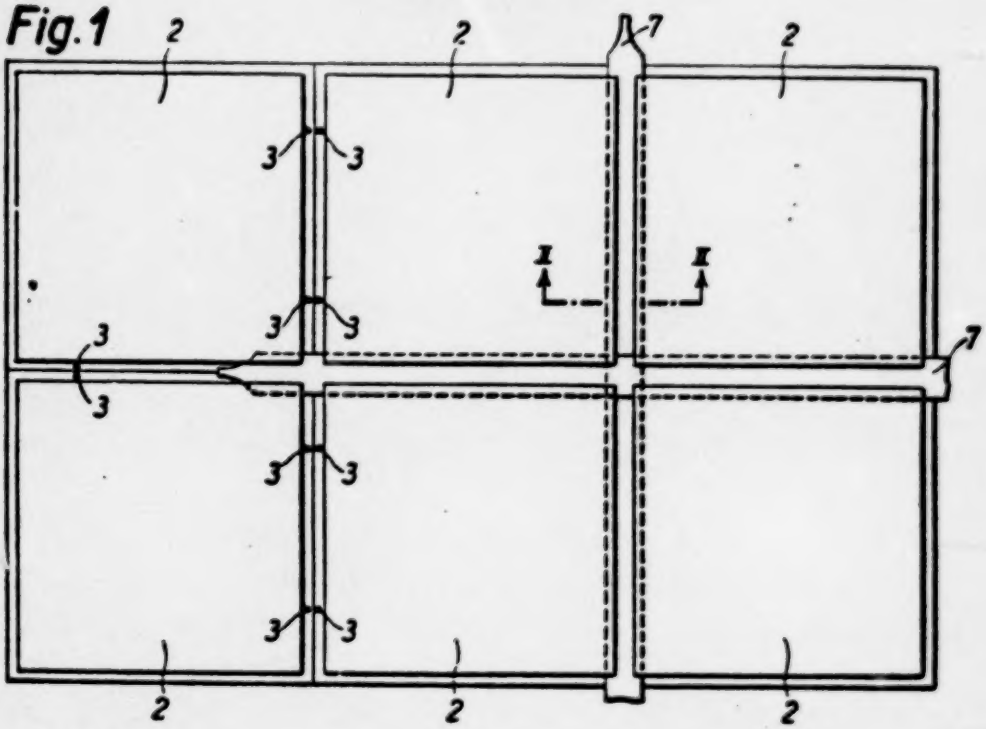


Fig.2

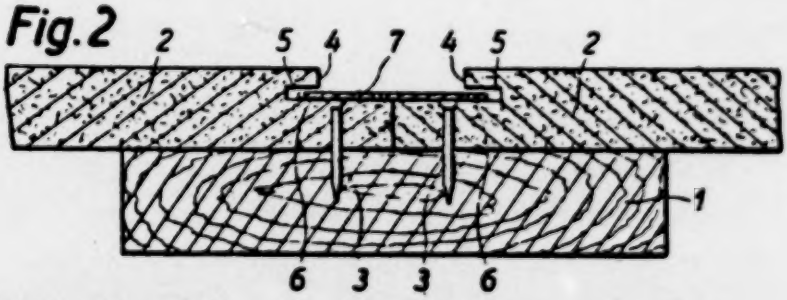
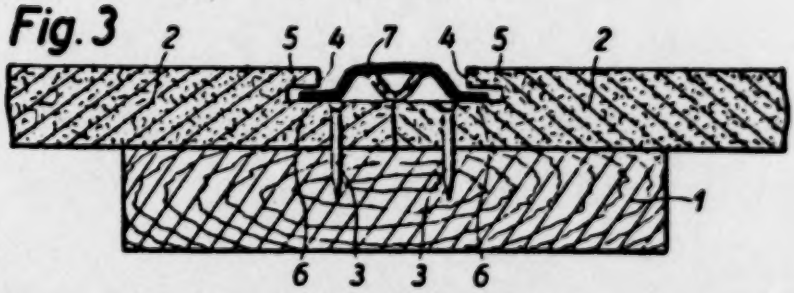


Fig.3



The question before the trial court was whether it would have been obvious to a person of ordinary skill in the art, at the time the invention was made, to modify the Nuorivaara strip as shown in the attached drawing in the manner suggested by Bobzin when the only problem with the Nuorivaara strip was that it might be impeded when pushed in place by fasteners not driven flush with the surface.

Nobody, other than Bobzin, suggested that it was not obvious, and even Bobzin's testimony on this subject was to the effect that the change made by him would be obvious "if there was no other alternative", but the alternatives suggested by him were inconsequential, such as driving the fasteners flush.

There was substantial evidence introduced to the trial court to the effect that Bobzin's solution to the problem was obvious.

The case went to trial on the validity issue before a jury and Petitioner utilized five trial days on this simple case, putting in substantial evidence relating to secondary considerations. Respondent utilized less than one full day of trial for its defense. The jury was instructed and returned a verdict that the subject matter of the Bobzin patent was non-obvious. The case then proceeded to trial on the issues of infringement and damages, and the jury returned a verdict for Petitioner in the amount of $1,117,938.

Respondent presented its motion for judgment notwithstanding the verdict and the motion was granted. Judge Grady's remarks in his decision from the bench are pertinent. He pointed out that he had been on the bench almost four years and had never set aside a jury verdict in that period of time, but this was the first case in

which he felt that his duty compelled him to set aside the verdict and enter judgment notwithstanding the verdict. Judge Grady stated:

> "I submitted this case to the jury feeling that the invention was obvious and, also, feeling that in all likelihood the jury would come to the same conclusion. Considering the great deal of time and effort that went into the trial, it seemed to me the sensible thing to do particularly in view of the fact that there would be an appeal in any event; and I still feel that in submitting the case to the jury I did the proper thing."
>
> • • • • •
>
> "I give you that explanation because I think a Court which submits a case to a jury and then sets aside the verdict reached by the jury owes the parties an explanation for what he does. If the case was good enough to submit to the jury in the first place, then, ordinarily, the jury verdict should stand. But I am saying now that I have concluded that this case should not have been submitted to the jury, and that was my feeling at the time."

Judge Grady then gave consideration to the evidence before him and stated:

> "I believe that the plaintiff won its case by a very skillful presentation of secondary evidence which misled the jury as to the real issue in the case. The defendant objected to the volume of that evidence and to the emphasis upon that evidence to the almost total exclusion of any kind of real analysis of the obviousness question, and I overruled those objections. I believe that in overruling the objections I acted properly because evidence of secondary considerations is admissible".
>
> • • • • •
>
> "There is not any question here that plaintiff's invention was novel. There is not any question that, while in my view it was strongly suggested by the

combination of all prior art and, in fact, was obvious even without regard to the prior art, nobody had developed it or apparently thought of it prior to the plaintiff."

• • • • •

"I think that what happened here is that the jury confused novelty and obviousness. It confused commercial success with obviousness. I did the best I could to instruct the jury as to the difference. I am not sure that the instructions were as clear as they could have been, but I am satisfied that the jury did not properly apply the law in regard to obviousness."

• • • • •

"The record will show, and I want to make it clear that I did not base my decision here today on a weighing of the credibility of the witnesses or the absence of witnesses or anything of that kind. I based my decision on a simple common sense approach as to what the problem was back at the time Mr. Bobzin made his invention. And it is my belief that simply taking the elements that were before him and using common sense, you would come to these solutions."

"Then when you add the prior art on top of your common sense, it becomes doubly obvious."

COURT OF APPEALS OPINION

On appeal, the Court of Appeals for the Seventh Circuit gave detailed consideration to the subject matter of the patent and to the action taken by Judge Grady and stated:

"Celotex appeals the determination of the trial court alleging error in the application and analysis of the requisite legal standards. A review of law and the record indicates that the action taken by Judge Grady was both legally sound and factually appropriate."

The Court of Appeals also stated:

"Initially we note that obviousness is a question of law to be determined by the Court. *Pederson* v.

> *Stewart-Warner Corp.*, 536 F.2d 1179, 1180 (7th Cir. 1976). The legal determination is normally based on facts as found by the jury, but where the evidence is such that it overwhelmingly supports only one conclusion even when viewed in the light most favorable to the opposing party, a jury verdict is properly set aside. The district court is correct in granting a motion for Judgment n.o.v. where the evidence is so deficient that reasonable men could not differ. *Hanningan* v. *Sears, Roebuck & Co.*, 410 F.2d 285, 287 (7th Cir., 1969).

The Court of Appeals gave consideration to the presumption of validity and to the pertinent considerations for determining obviousness as set forth in *Graham* v. *Deere*. In the petition filed herein, an argument is made that both Judge Grady and the Court of Appeals did not give sufficient consideration to some of the prior art cited by Petitioner as representative of the state of the art at the time the invention was made. With respect to the prior art such as rosettes and battens, these were commercial products but of a date prior to the Nuorivaara patent. There was no need for the courts below to give detailed consideration to these commercial products in view of the Nuorivaara patent. Relative to this subject matter, the Court of Appeals stated:

> "Appellants stress that the Bobzin patent was used to replace the ceiling panel convention of battens (cover strips for seams) and rosettes (flowerlike buttons used to cover individual midpanel fasteners). The implication is that this should be considered as "prior art" to be compared with the subject matter of the patent. But it is clear from the Nuorivaara and Warner patents that the art had advanced beyond that point. That it had not been applied to the exact use Bobzin had in mind does not negate the value of prior art."

ARGUMENT

Throughout the petition it is asserted that petitioner was denied due process of law with respect to the exclusion of primary prior art. As indicated by Judge Grady in his opinion, he permitted the substantial introduction of evidence relative to this so-called prior art relied upon by petitioner. Everything that petitioner sought to introduce into evidence was admitted. Nothing was excluded. There is, therefore, no basis for any argument that there was an exclusion of evidence. This is the complete answer to questions 1 and 2 presented by the petition.

With respect to the third question presented, there is a criticism of the Seventh Circuit Court of Appeals with the assertion that the Seventh Circuit does not take into consideration evidence relating to secondary considerations. Judge Grady heard all of this evidence relative to the secondary considerations. The presentation of evidence went on for days and at one time Judge Grady stated:

> "What I am wondering here is whether we are spending time that need not be spent, and if I see that happening, I am going to curtail the presentation of evidence. I am not going to end up with the tail wagging the dog here with the secondary considerations consisting of 90% of plaintiff's proof."

The court of appeals stated:

> "The batten and rosette assembly was merely evidence of a long felt but unsolved need of the industry. As such, it is a secondary consideration to be weighed only in a close case where consideration of the John Deere criteria does not resolve the question of obviousness".

The Court of Appeals' decision below is dated January 15, 1981.

On February 23, 1981, the Seventh Circuit Court of Appeals entered an opinion in *Sauer Machine Company, Inc.* v. *Corrugated Finishing Products, Inc. et al., (No. 79-2509)* (not yet reported), and in this case the trial court found a patent invalid for obviousness and entered judgment for defendant. The Court of Appeals reversed holding the patent valid, pointing out that the trial court did not give sufficient consideration to the huge commercial success of the subject matter of the patent. It is abundantly clear that, in appropriate cases, the Seventh Circuit will rely upon secondary considerations to indicate patentability.

In any event, with respect to the matter of secondary considerations, this court has stated in *Anderson's Black Rock,* 396 U.S. 61 (1969)

> "It is, however, fervently argued that the combination filled a long felt want and has enjoyed commercial success. But those matters 'without invention will not make patentability'. A & P Tea Co. v. Supermarket Corp., 340 US 147, 153, 95 L.Ed. 162, 167, 71 S.Ct. 127."

The fourth point asserted in the petition is that the circuits are in conflict as to whether obviousness is a fact or law question. There is no doubt that the leading authority on this subject is *Graham* v. *Deere,* 383 U.S. 117 1966, holding clearly that the determination of obviousness is a question of law.

Recently the Seventh Circuit Court of Appeals in an en banc hearing gave consideration to the question of whether or not the issue of obviousness was a question

of law or a question of fact. (*Dual Mfg. & Engineering* v. *Burris Industries,* 619 F.2d 660 1980 cert. denied.) In this case the court, en banc with one dissent, set aside an earlier holding of the court and stated that where a case is tried to jury and a jury returns a verdict in favor of plaintiff, the court has the duty to determine the question of obviousness as a question of law. In the *Dual* case the court reversed the judgment of the District Court which accepted the holding of non-obviousness by the jury.

A problem is encountered where a patent infringement case is tried to a jury. The plaintiff in such case has the option of requesting special interrogatories or special verdicts with respect to these subsidiary questions so that the jury may make findings with respect thereto. In this case, there was no request for special interrogatories or special verdicts. Petitioner was content to request only a general verdict. Under these circumstances, there being no answer from the jury to any special interrogatories or special verdicts, it must be concluded that the court may resolve the question of obviousness as a matter of law.

In the petition it is stated (p. 15) that "This court should take this case and instruct the court below that it should feel bound by jury determinations on the obviousness fact issue like any other finding of fact by a jury". For this court to do that it would totally overrule its holding in *Graham* v. *Deere.*

There is no reason for this court to give further consideration to the decisions of the courts below because this court has adequately set the guide lines for a determination of patent validity in such cases as *Graham*

v. *Deere*, 383 U.S. 1 (1966), *Sakraida* v. *Ag-Pro, Inc.*, 425 U.S. 273 (1976) and *Anderson's Black Rock* v. *Pavement Salvage Co.*, 396 U.S. 57 (1969).

The petition for certiorari should be denied.

Respectfully submitted,

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